

**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

DOCKET NO. 2014-7-G

In the Matter Of)	
)	
Application of Piedmont Natural Gas Company, Inc. to Have the Terms of the Natural Gas Rate Stabilization Act Apply to the Company's Rates and Charges for Gas Distribution Services)	<u>NOTICE OF FILING OF QUARTERLY MONITORING REPORT AND PROPOSED RATE CHANGES</u>

Piedmont Natural Gas Company, Inc. ("Piedmont"), through counsel and pursuant to Sections 58-5-430 and 58-5-440 of the South Carolina Natural Gas Rate Stabilization Act ("Act"), hereby submits (1) its quarterly monitoring report for the twelve-month period ending March 31, 2014, and (2) the required revenue deficiency calculations and proposed changes to its tariff rates necessary to permit Piedmont the opportunity to earn the rate of return on common equity established in its last general rate case as specified in Section 58-5-420(1). Piedmont requests that the Public Service Commission of South Carolina ("Commission") review and accept the attached documents consistent with Sections 58-5-430 and 58-5-440 of the Act and issue an initial order approving the proposed rate changes set forth in this filing on or before October 15, 2014 in conformance with the procedures set forth in Section 58-5-455 of the Act.

In support of this filing, Piedmont respectfully shows unto the Commission as follows:

1. Any notices or other communications with respect to this matter should be sent to:

Jane Lewis-Raymond
Sr. Vice President and General Counsel
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
Telephone: (704) 731-4261

And

Scott M. Tyler
James H. Jeffries IV
Moore & Van Allen PLLC
Bank of America Corporate Center
100 North Tryon Street, Suite 4700
Charlotte, North Carolina 28202-4003
Telephone: (704) 331-2463

2. On April 25, 2005, Piedmont provided notice to the Commission of its election of the application of the terms of the Act to Piedmont's rates and charges for gas distribution services provided within the state of South Carolina. In conjunction with its election and as required by Sections 58-5-410 and 58-5-420, Piedmont requested that the Commission make findings and establish ongoing procedures as required to make prospective adjustments to Piedmont's base rates utilizing the rates, charges, revenues, expenses, capital structure, returns, and other matters established in Piedmont's most recent general rate proceeding in Docket No. 2002-63-G.

3. Consistent with its prior election for application of the Act to its rates and charges, and pursuant to the requirements of Section 58-5-430 of the Act, Piedmont has attached hereto various schedules constituting its quarterly monitoring report to the Commission for the twelve-month period ended March 31, 2014. In conformance with the requirements of Section 58-5-440 of the Act, Piedmont has also included in the schedules attached hereto the calculated revenue deficiency resulting from Piedmont's current rates. This deficiency results in a return on common equity under existing rates that is 83 basis points below that approved in Piedmont's last general rate case. The attached schedules also reflect proposed rate revisions, calculated in conformance with the rate allocation principles approved in Piedmont's last general rate case,

needed to return Piedmont's rate of return on common equity to the midpoint of the range specified by Section 58-5-420(1).

4. The Schedules attached hereto and incorporated herein by reference consist of the following:

- (1) Present Rate Schedules are incorporated herein by reference as filed in GCRM-138 effective as of the first billing cycle in February, 2014;
- (2) Present and Proposed Rate Schedules;
- (3) Gas Plant at Original Cost;
- (4) Depreciation Schedule;
- (5) Materials and Supplies;
- (6) Cash Working Capital;
- (7) Net Operating Income and Return;
- (8) Pro Forma Revenues;
- (9) Proposed Revenues;
- (10) WNA Factors.

5. The *pro forma* revenue calculations shown on Schedule (7) indicate that \$1,614,145 in additional margin is required to permit Piedmont the opportunity to earn a rate of return on equity equal to the approved rate of return on equity adopted in Docket No. 2002-63-G, Piedmont's last general rate case.

6. Based upon the calculations provided in Schedules 3 through 10, Piedmont proposes the changes to its tariff rates reflected in Schedule 2 hereto.

7. Consistent with the requirements of Sections 58-5-430 and 58-5-455, Piedmont is concurrently serving copies of this filing on the Office of Regulatory Staff, all parties of record

to this proceeding and any other interested party that has requested in writing to receive such filings.

WHEREFORE, Piedmont Natural Gas Company, Inc. respectfully requests that the Commission accept and review Piedmont's quarterly monitoring report for the twelve-month period ended March 31, 2014 and issue an Initial Order approving Piedmont's proposed rate adjustments on or before October 15, 2014.

Respectfully submitted, this the 12th day of June, 2014.

PIEDMONT NATURAL GAS COMPANY, INC.

s/ Scott M. Tyler
Scott M. Tyler

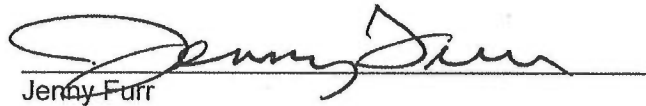
OF COUNSEL:

Moore & Van Allen PLLC
Bank of America Corporate Center
100 North Tryon Street, Suite 4700
Charlotte, North Carolina 28202-4003
(704) 331-2463

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

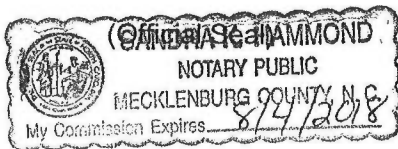
VERIFICATION

Jenny Furr, being duly sworn, deposes and says that she is Manager of Regulatory Reporting for Piedmont Natural Gas Company, Inc., that as such, she has read the foregoing Petition and knows the contents thereof; that the same are true of her own knowledge except as to those matters stated on information and belief and as to those she believes them to be true.


Jenny Furr

Mecklenburg County, North Carolina
Signed and sworn to before me this day by Jenny Furr

Date: June 10, 2014 Sandra K. Hammond
Sandra K. Hammond, Notary Public



My commission expires: August 4, 2018

CERTIFICATION

I, Thomas E. Skains and Karl W. Newlin, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Thomas E. Skains
President and CEO

5/30/14

Date Signed



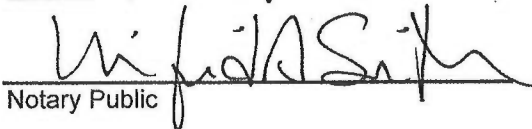
Karl W. Newlin
Senior Vice President and CFO

May 30, 2014

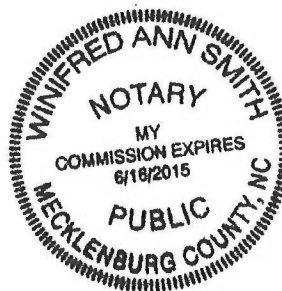
Date Signed

Subscribed and Sworn to before me this

30th day of May, 2014.


Notary Public

My Commission Expires 6/16/15.



CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached Notice is being served this date via email and UPS Overnight delivery upon:

Florence Belser
Nanette S. Edwards
Carey Stites
Office of Regulatory Staff
1401 Main Street
Suite 900
Columbia, South Carolina 29201
fbelser@regstaff.sc.gov
nsedwar@regstaff.sc.gov
cstites@restraff.sc.gov

And that one copy of the attached Notice is being served this date via email or U.S. Mail addressed as follows:

Scott Elliott
South Carolina Energy Users Committee
Elliott & Elliott, P.A.
1508 Lady Street
Columbia, South Carolina 29201

David Carpenter
Vice President – Planning and Regulatory Affairs
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
david.carpenter@piedmontng.com

Pia Powers
Director - Regulatory Affairs
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
pia.powers@piedmontng.com

This the 12th day of June, 2014.

s/ Scott M. Tyler
Scott M. Tyler

Piedmont Natural Gas Company, Inc.

Index to Schedules

Period Ended March 31, 2014

- SCHEDULE 1 - Present Rate Schedules are incorporated herein by reference as filed in GCRM-138 effective as of the first billing cycle for February, 2014.
- SCHEDULE 2 - Present and Proposed Rate Schedules.
- SCHEDULE 3 - Gas Plant at Original Cost.
- SCHEDULE 4 - Depreciation Schedule.
- SCHEDULE 5- Materials and Supplies.
- SCHEDULE 6 - Cash Working Capital.
- SCHEDULE 7 - Net Operating Income and Return.
- SCHEDULE 8 - Pro Forma Revenues.
- SCHEDULE 9 - Proposed Revenues.
- SCHEDULE 10 - WNA Factors.

SCHEDULE 1

**(Incorporated herein by reference as filed in GCRM-138
effective as of the first billing cycle for February, 2014)**

SCHEDULE 2

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2014

South Carolina
Rate Schedules:

	<u>Current Billing Rates</u>	<u>Change</u>	<u>Proposed Billing Rates</u>
201 Residential Service - Value			
Monthly Charge-winter	10.00	-	10.00
Monthly Charge-summer	8.00	-	8.00
Winter (Nov.-Mar.) per therm	0.86532	0.03084	0.89616
Summer (Apr.-Oct.) per therm	0.82148	0.02868	0.85016
221 Residential Service - Standard			
Monthly Charge-winter	10.00	-	10.00
Monthly Charge-summer	8.00	-	8.00
Winter (Nov.-Mar.) per therm	1.00374	(0.03972)	0.96402
Summer (Apr.-Oct.) per therm	0.99452	(0.05889)	0.93563
205 Outdoor Gas Light Service			
Monthly Charge	\$15.00	-	15.00
202 Small General Service-Standard			
Monthly Charge	22.00	-	22.00
Winter (Nov.-Mar.) per therm	0.92253	(0.04030)	0.88223
Summer (Apr.-Oct.) per therm	0.89463	(0.03151)	0.86312
232 Small General Service-Value			
Monthly Charge	22.00	-	22.00
Winter (Nov.-Mar.) per therm			
First 2,000	0.87950	(0.01772)	0.86178
Over 2,000	0.85936	(0.00532)	0.85404
Summer (Apr.-Oct.) per therm			
First 2,000	0.80837	0.01321	0.82158
Over 2,000	0.78957	0.02333	0.81290
252 Medium General Service-Standard			
Monthly Charge	75.00	-	75.00
Winter (Nov.-Mar.) per therm	0.87211	(0.04634)	0.82577
Summer (Apr.-Oct.) per therm	0.84176	(0.03387)	0.80789
262 Medium General Service-Value			
Monthly Charge	75.00	-	75.00
Winter (Nov.-Mar.) per therm			
First 5,000	0.82262	(0.02121)	0.80141
Over 5,000	0.79917	(0.00772)	0.79145
Summer (Apr.-Oct.) per therm			
First 5,000	0.75385	0.01046	0.76431
Over 5,000	0.73629	0.02000	0.75629
242 Small General Service-Motor Fuel			
Monthly Charge	22.00	-	22.00
Winter (Nov.-Mar.) per therm	0.82598	0.00106	0.82704
Summer (Apr.-Oct.) per therm	0.88732	(0.00313)	0.88419
Winter (Nov.-Mar.) per GGE*	1.04073	0.00134	1.04207
Summer (Apr.-Oct.) per GGE*	1.11802	(0.00394)	1.11408

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2014

South Carolina
Rate Schedules:

	<u>Current Billing Rates</u>	<u>Change</u>	<u>Proposed Billing Rates</u>
203 Large General Sales Service			
Monthly Charge	\$250.00	-	250.00
Billing Demand per therm	1.79812	-	1.79812
Winter (Nov.-Mar.) per therm			
First 15,000	0.69426	(0.03370)	0.66056
Next 15,000	0.61944	(0.02553)	0.59391
Next 75,000	0.59840	(0.05352)	0.54488
Next 165,000	0.49097	-	0.49097
Next 330,000	0.43565	-	0.43565
Over 600,000	0.40708	-	0.40708
Summer (Apr.-Oct.) per therm			
First 15,000	0.59091	(0.01437)	0.57654
Next 15,000	0.53972	(0.01106)	0.52866
Next 75,000	0.54856	(0.01867)	0.52989
Next 165,000	0.47240	-	0.47240
Next 330,000	0.43065	-	0.43065
Over 600,000	0.40708	-	0.40708
204 Interruptible Sales Service			
Monthly Charge	\$250.00	-	250.00
Winter (Nov.-Mar.) per therm			
First 15,000	0.81694	(0.12481)	0.69213
Next 15,000	0.75217	(0.13856)	0.61361
Next 75,000	0.69392	(0.11832)	0.57560
Next 165,000	0.65796	(0.02895)	0.62901
Next 330,000	0.56424	(0.08949)	0.47475
Over 600,000	0.44708	-	0.44708
Summer (Apr.-Oct.) per therm			
First 15,000	0.61906	(0.04621)	0.57285
Next 15,000	0.56861	(0.03841)	0.53020
Next 75,000	0.54488	(0.03715)	0.50773
Next 165,000	0.51289	(0.01096)	0.50193
Next 330,000	0.46698	-	0.46698
Over 600,000	0.41708	-	0.41708

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2014

South Carolina
Rate Schedules:

	<u>Current Billing Rates</u>	<u>Change</u>	<u>Proposed Billing Rates</u>
213 Large General Transportation Service			
Monthly Charge	\$250.00	-	250.00
Standby Demand per therm	1.20161	-	1.20161
Billing Demand per therm	0.59651	-	0.59651
Winter (Nov.-Mar.) per therm			
First 15,000	0.25104	(0.00710)	0.24394
Next 15,000	0.18353	(0.00512)	0.17841
Next 75,000	0.13732	(0.00465)	0.13267
Next 165,000	0.09091	(0.06876)	0.02215
Next 330,000	0.03590	-	0.03590
Over 600,000	0.00708	-	0.00708
Summer (Apr.-Oct.) per therm			
First 15,000	0.18255	(0.01203)	0.17052
Next 15,000	0.13371	(0.01156)	0.12215
Next 75,000	0.10802	(0.01263)	0.09539
Next 165,000	0.07537	-	0.07537
Next 330,000	0.03065	-	0.03065
Over 600,000	0.00708	-	0.00708
214 Interruptible Transportation Service			
Monthly Charge	\$250.00	-	250.00
Winter (Nov.-Mar.) per therm			
First 15,000	0.24999	(0.00665)	0.24334
Next 15,000	0.18210	(0.00440)	0.17770
Next 75,000	0.13272	(0.00213)	0.13059
Next 165,000	0.08393	(0.00072)	0.08321
Next 330,000	0.03706	(0.00065)	0.03641
Over 600,000	0.00708	-	0.00708
Summer (Apr.-Oct.) per therm			
First 15,000	0.18144	(0.01099)	0.17045
Next 15,000	0.13082	(0.00771)	0.12311
Next 75,000	0.09902	(0.00446)	0.09456
Next 165,000	0.07547	(0.00172)	0.07375
Next 330,000	0.05081	-	0.05081
Over 600,000	0.00708	-	0.00708

*The rates convert 1.26 therms to 1 GGE.

SCHEDULE 3

Schedule 3

Piedmont Natural Gas Company, Inc.
Original Cost of Property Used and Useful
in Public Service in South Carolina
March 31, 2014

<u>Line No.</u>	<u>Title of Account</u>	
1	Intangible Plant	\$ 146,199
2	Production Plant	0
3	Local Storage Plant	17,492,347
4	Transmission Plant	66,823,889
5	Distribution Plant	332,877,484
6	General Plant	<u>34,882,128</u>
7	Total	<u>\$ 452,222,047</u>

SCHEDULE 4

Piedmont Natural Gas Company, Inc.
 South Carolina Operations
 Accumulated Depreciation, Depreciation Policy and Rates
 March 31, 2014

Accumulated Depreciation

Per books as of March 31, 2014

\$191,834,401

Depreciation Policy

Piedmont computes depreciation expense monthly using the straight-line method applied to end-of-the-month depreciable costs.

The Company is booking depreciation expense at the depreciation rates recommended in a depreciation study performed as of 2009. These depreciation rates were approved as a result of the Commission's findings in Docket No. 2011-7-G, Order No. 2011-741.

Piedmont allocates depreciation expense on the LNG plants located in North Carolina between South Carolina and North Carolina on the basis of design-day demand during the test period. We allocate depreciation expense on other jointly-used property between South Carolina, North Carolina and Tennessee or between South Carolina and North Carolina only, on the basis of net plant depending upon the actual usage of the property.

Piedmont computes depreciation expense on transportation equipment over estimated useful lives after deducting from the original cost an estimated salvage value of 20% for passenger cars, trucks and heavy equipment.

Depreciation Rates

Based on plant in service as of March 31, 2014, the current composite depreciation rates are:

Intangible Plant	0.00%
Production Plant	0.00%
Local Storage Plant	1.92%
Transmission Plant	1.83%
Distribution Plant	2.68%
General Plant	5.29%

SCHEDULE 5

Piedmont Natural Gas Company, Inc.
South Carolina Operations
Average Materials and Supplies
March 31, 2014

Line
No.

1	Operating and Construction Supplies (a)	\$ 278,311
2	Natural Gas Stored (b)	<u>10,102,917</u>
3	Total	<u>\$ 10,381,228</u>

(a) Includes Materials Distribution Center inventory allocated to South Carolina on the ratio of South Carolina net plant before joint property to total net plant before joint property as of October 31, 2013 (8.28% to SC).

(b) Allocated to South Carolina on the basis of design day in South Carolina and North Carolina. (14.92% to SC).

SCHEDULE 6

Piedmont Natural Gas Company, Inc.
South Carolina Operations
Cash Working Capital
March 31, 2014

Line
No.

1	One-Eighth (12.5%) of Operations and Maintenance Expenses	\$	3,337,563
2	Prepayments (a)		359,230
3	Average Tax Accruals (deduct)		<u>(150,279)</u>
4	Total	\$	<u><u>3,546,514</u></u>

- (a) Allocated to South Carolina on the ratio of South Carolina net plant before joint property to total net plant before joint property as of March 31, 2014 (8.00% to SC).

SCHEDULE 7

Piedmont Natural Gas Company, Inc.
South Carolina Operations
Updated Net Operating Income and Rate of Return
For The Twelve Months Ended March 31, 2014

	(1) Per Filing	(2) Accounting and Pro Forma Adjustments	(3) After Accounting and Pro Forma Adjustments	(4) Adjustments for Proposed Margin	(5) Adjustments for Demand Costs	(6) After Adjustments for Proposed Rates
<u>Operating Revenues</u>						
1 Sales and Transportation of Gas	\$ 159,340,480	\$ (8,487,899) (1)	\$ 150,852,581	\$ 1,614,145 (10)	\$ (4,234,915) (16)	\$ 148,231,811
2 Other Operating Revenues	940,479	-	940,479	-	-	940,479
3 Total Operating Revenues	\$ 160,280,959	\$ (8,487,899)	\$ 151,793,060	\$ 1,614,145	\$ (4,234,915)	\$ 149,172,290
<u>Operating Expenses</u>						
4 Cost of Gas	\$ 89,093,699	\$ (7,814,048) (2)	\$ 81,279,651	\$ -	\$ (4,204,335) (17)	\$ 77,075,316
5 Operations and Maintenance	26,700,507	(1,747,882) (3)	24,952,625	3,271 (11)	(8,582) (18)	24,947,314
6 Depreciation	11,419,378	759,681 (4)	12,179,059	-	-	12,179,059
7 General Taxes	6,131,979	(133,488) (5)	5,998,491	8,384 (12)	(21,998) (19)	5,984,877
8 State Income Taxes	1,417,562	(289,830) (6)	1,127,732	80,124 (13)	-	1,207,856
9 Federal Income Taxes	7,086,117	390,500 (7)	7,476,617	532,828 (14)	-	8,009,445
10 Amortization of Investment Tax Credits	(26,061)	-	(26,061)	-	-	(26,061)
11 Total Operating Expenses	\$ 141,823,179	\$ (8,835,066)	\$ 132,988,113	\$ 624,607	\$ (4,234,915)	\$ 129,377,805
12 Net Operating Income	\$ 18,457,780	\$ 347,167	\$ 18,804,947	\$ 989,538	\$ -	\$ 19,794,485
13 Interest on Customers' Deposits	(103,506)	-	(103,506)	-	-	(103,506)
14 Amortization of Debt Redemption Premium	-	-	-	-	-	-
15 Allowance for Funds Used During Construction	396,070	-	396,070	-	-	396,070
16 Customer Growth	132,896	2,500 (8)	135,396	7,125 (15)	-	142,520
17 Net Operating Income for Return	\$ 18,883,240	\$ 349,666	\$ 19,232,906	\$ 996,663	\$ -	\$ 20,229,569
<u>Original Cost Rate Base</u>						
18 Plant in Service	\$ 452,222,047	\$ -	\$ 452,222,047			\$ 452,222,047
19 Accumulated Depreciation	(191,834,401)	-	(191,834,401)			(191,834,401)
20 Net Plant in Service	\$ 260,387,646	\$ -	\$ 260,387,646			\$ 260,387,646
Add:						
21 Construction Work in Progress	9,192,186	-	9,192,186			9,192,186
22 Materials and Supplies	10,381,228	-	10,381,228			10,381,228
23 Cash Working Capital	3,546,514	(218,485) (9)	3,328,029			3,328,029
Deduct:						
24 Customers' Advances	-	-	-			-
25 Customers' Deposits	3,001,089	-	3,001,089			3,001,089
26 Accumulated Deferred Income Taxes	62,205,284	-	62,205,284			62,205,284
27 Unclaimed Funds	68,189	-	68,189			68,189
28 Original Cost Rate Base	\$ 218,233,012	\$ (218,485)	\$ 218,014,527			\$ 218,014,527
<u>Rate of Return</u>						
29 On Original Cost Rate Base	8.65%		8.82%			9.28%

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Piedmont Natural Gas Company, Inc. South Carolina Operations Return on Common Equity and Original Cost Net Investment For The Twelve Months Ended March 31, 2014				After Accounting and Pro Forma Adjustments						
		<u>Per Books</u>	<u>Accounting and Pro Forma Adjustments</u>	<u>Adjusted Capitalization</u>	<u>Ratio</u>	<u>Agreed to Ratio</u>	<u>Cost Net Investment</u>	<u>Embedded Cost</u>	<u>Overall Cost Rate</u>	<u>Net Operating Income</u>
1	Long-Term Debt	\$ 1,161,467,879	\$ -	\$ 1,161,467,879	46.21%	45.00%	\$ 98,106,537	5.22%	2.35%	\$5,121,161
2	Common Equity	<u>1,352,126,326</u>	<u>-</u>	<u>1,352,126,326</u>	<u>53.79%</u>	<u>55.00%</u>	<u>119,907,990</u>	<u>11.77%</u>	<u>6.47%</u>	<u>14,111,745</u>
3	Total	<u>\$ 2,513,594,205</u>	<u>\$ -</u>	<u>\$ 2,513,594,205</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$ 218,014,527</u>		<u>8.82%</u>	<u>\$19,232,906</u>

Piedmont Natural Gas Company, Inc.
South Carolina Operations
Accounting and Pro Forma Adjustments
For The Twelve Months Ended March 31, 2014

Line
No.

1	<u>Operating Revenues - Sale and Transportation of Gas</u> To decrease revenues to the going-level basis.	<u>\$ (8,487,899)</u>
2	<u>Cost of Gas</u> To decrease cost of gas to the going-level basis.	<u>\$ (7,814,048)</u>
3	<u>Operations and Maintenance Expenses</u>	
A	To decrease payroll costs to the going-level basis.	\$ (188,964)
B	To increase expenses for the salary and payroll investment plans.	44,175
C	To decrease expenses for pension costs.	(474,205)
D	To decrease expenses for the provision for uncollectible accounts to reflect actual net write-offs over a three-year period.	(239,518)
E	To decrease expenses for allocations to non-utility activities.	(24,143)
F	To increase expenses for the long-term incentive plan.	170,831
G	To decrease expenses for the short-term incentive plan.	(234,579)
H	To decrease expenses for the MVP incentive plan.	(192,360)
I	To increase expenses for group insurance for projected costs.	1,799
J	To increase expense for amortization of early retirement incentive.	108,574
K	To decrease expenses for the South Carolina assessment fee.	(16,993)
L	To decrease expenses for non-allowables for ratemaking purposes.	(153,904)
M	To decrease expenses for amortization of SC Environmental Expense	(64,975)
N	To decrease expense for Franchise Fees	(483,620)
	Total	<u>\$ (1,747,882)</u>
4	<u>Depreciation Expense</u> To increase depreciation expense to the going-level basis using the most current depreciation study rates.	<u>\$ 759,681</u>
5	<u>General Taxes</u>	
A	To decrease payroll taxes to the going-level basis.	\$ (89,399)
B	To decrease franchise taxes and gross receipts tax to the going-level basis.	(44,089)
	Total	<u>\$ (133,488)</u>

Piedmont Natural Gas Company, Inc.
South Carolina Operations
Accounting and Pro Forma Adjustments
For The Twelve Months Ended March 31, 2014

Line
No.

6	<u>State Income Taxes</u> To decrease state income taxes (rate of 5%) to reflect the impact on income after accounting and pro forma adjustments.	\$ (289,830)
7	<u>Federal Income Taxes</u> To increase federal income taxes (rate of 35%) to reflect the impact on income after accounting and pro forma adjustments.	\$ 390,500
8	<u>Customer Growth</u> To increase net operating income to reflect anticipated customer growth (rate of .72%) following the adjustments to operating revenues and expenses.	\$ 2,500
9	<u>Cash Working Capital</u> To decrease cash working capital following the pro forma adjustments to operations and maintenance expenses (rate of 12.5%).	\$ (218,485)
10	<u>Operating Revenues - Sale and Transportation of Gas</u> To increase revenue requirement for the sale and transportation of gas for the proposed margin increase.	\$ 1,614,145
11	<u>Operations and Maintenance Expenses</u> To increase the provision for uncollectible accounts (rate of .20266%) following the adjustment to operating revenues.	\$ 3,271
12	<u>General Taxes</u> To adjust franchise taxes (rate of .3%) and gross receipts tax (rate of .219435%) for the proposed margin increase.	\$ 8,384
13	<u>State Income Taxes</u> To increase state income taxes (rate of 5%) to reflect the impact on income from the adjustments to operating revenues and expenses.	\$ 80,124

Piedmont Natural Gas Company, Inc.
South Carolina Operations
Accounting and Pro Forma Adjustments
For The Twelve Months Ended March 31, 2014

Line
No.

14 Federal Income Taxes

To increase federal income taxes (rate of 35%) to reflect the impact on income from the adjustments to operating revenues, expenses and state income taxes. \$ 532,828

15 Customer Growth

To increase net operating income to reflect anticipated customer growth (rate of .72%) following the adjustments to operating revenues and expenses. \$ 7,125

16 Operating Revenues - Sale and Transportation of Gas

To decrease revenue requirement for the sale and transportation of gas associated with the demand cost under-recovery. \$ (4,234,915)

17 Cost of Gas

To decrease cost of gas for the demand cost under-recovery. \$ (4,204,335)

18 Operations and Maintenance Expenses

To decrease the provision for uncollectible accounts (rate of .20266%) following the adjustment to operating revenues. \$ (8,582)

19 General Taxes

To adjust franchise taxes (rate of .3%) and gross receipts tax (rate of .219435%) for the adjustment to revenue for demand cost under-recovery. \$ (21,998)

SCHEDULE 8

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2014

PRO FORMA REVENUE CALCULATIONS

(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Conservation Adjustment (3)	Proforma Dekatherms (4)	Proforma Bills (5)	Current Margin Rate (6)	Current Demand Rate (7)	Current Commodity Rate (8)	Total Current Rates (9)	Total Proforma Revenue (10)
Residential Service - Value 201										
Bills - Winter	206,747				206,747	\$10.00			\$10.00	\$2,067,470
Bills - Summer	273,025				273,025	\$8.00			\$8.00	\$2,184,200
DTs - Winter	2,452,056	(115,795)	(40,885)	2,295,376		\$3.7840	\$0.7984	\$4.0708	\$8.6532	\$19,862,351
DTs - Summer	888,915	(89,207)	(13,995)	785,713		\$3.3441	\$0.7999	\$4.0708	\$8.2148	\$6,454,476
Residential Service - Standard 221										
Bills - Winter	405,708				405,708	\$10.00			\$10.00	\$4,057,080
Bills - Summer	569,970				569,970	\$8.00			\$8.00	\$4,559,760
DTs - Winter	3,674,533	(195,281)	(60,887)	3,418,365		\$3.7840	\$2.1826	\$4.0708	\$10.0374	\$34,311,498
DTs - Summer	989,381	(163,098)	(14,460)	811,823		\$3.3441	\$2.5303	\$4.0708	\$9.9452	\$8,073,743
TOTAL RESIDENTIAL										
Bills	1,455,450				1,455,450					
DTs	8,004,885	(563,381)	(130,226)	7,311,278						\$81,570,578
Small General Service - Standard 202										
Bills	120,442				120,442	\$22.00			\$22.00	\$2,649,724
DTs - Winter	1,899,451	(86,477)	(31,727)	1,781,247		\$3.0868	\$2.0677	\$4.0708	\$9.2253	\$16,432,538
DTs - Summer	451,321	(108,932)	(5,992)	336,397		\$2.9764	\$1.8991	\$4.0708	\$8.9463	\$3,009,510
Small General Service - Value 232										
Bills	47,144				47,144	\$22.00			\$22.00	\$1,037,168
First 200	1,078,410	(12,783)	(18,648)	1,046,979		\$3.0868	\$1.6374	\$4.0708	\$8.7950	\$9,208,176
Over 200	303,698	(3,600)	(5,252)	294,846		\$3.0868	\$1.4360	\$4.0708	\$8.5936	\$2,533,791
DTs - Winter	1,382,108	(16,383)	(23,900)	1,341,825						
First 200	1,100,908	(33,133)	(18,686)	1,049,089		\$2.9764	\$1.0365	\$4.0708	\$8.0837	\$8,480,520
Over 200	149,144	(4,489)	(2,531)	142,124		\$2.9764	\$0.8485	\$4.0708	\$7.8957	\$1,122,165
DTs - Summer	1,250,052	(37,622)	(21,218)	1,191,212						
Medium General Service - Standard 252										
Bills	138				138	\$75.00			\$75.00	\$10,350
DTs - Winter	85,108	(5,035)	(1,401)	78,672		\$3.0868	\$1.5635	\$4.0708	\$8.7211	\$686,104
DTs - Summer	27,320	(4,617)	(397)	22,306		\$2.9764	\$1.3704	\$4.0708	\$8.4176	\$187,760
Medium General Service - Value 262										
Bills	769				769	\$75.00			\$75.00	\$57,675
First 500	155,903	(3,696)	(2,664)	149,543		\$3.0868	\$1.0686	\$4.0708	\$8.2262	\$1,230,174
Over 500	209,496	(4,966)	(3,579)	200,953		\$3.0868	\$0.8341	\$4.0708	\$7.9917	\$1,605,954
DTs - Winter	365,401	(8,662)	(6,243)	350,496						
First 500	207,008	(1,328)	(3,599)	202,081		\$2.9764	\$0.4913	\$4.0708	\$7.5385	\$1,523,385
Over 500	167,362	(1,073)	(2,910)	163,379		\$2.9764	\$0.3157	\$4.0708	\$7.3629	\$1,202,943
DTs - Summer	374,370	(2,401)	(6,509)	365,460						
Small General Service - Motor Fuel 242										
Bills	19				19	\$22.00			\$22.00	\$418
DTs - Winter	6,174	0	0	6,174		\$2.4961	\$1.6929	\$4.0708	\$8.2598	\$50,996
DTs - Summer	7,880	0	0	7,880		\$2.4961	\$2.3063	\$4.0708	\$8.8732	\$69,921
Winter Rate per GGE*									\$1.04073	
Summer Rate per GGE*									\$1.11802	
TOTAL COMMERCIAL										
Bills	168,512				168,512					
DTs	5,849,185	(270,129)	(97,388)	5,481,668						\$51,099,272

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2014

PRO FORMA REVENUE CALCULATIONS

(dekatherms)	Test Period Actual	Normalized Adjustment	Conservation Adjustment	Proforma Dekatherms	Proforma Bills	Current Margin Rate	Current Demand Rate	Current Commodity Rate	Total Current Rates	Total Proforma Revenue
Rate Schedule	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Large General Service - Sales 203										
Bills	167				167	\$250.00			\$250.00	\$41,750
Demand DTs	25,630	0	0		25,630	\$5.0000	\$12.9812	\$0.0000	\$17.9812	\$460,858
First 1,500	97,443	0	0	97,443		\$1.8569	\$1.0149	\$4.0708	\$6.9426	\$676,508
Next 1,500	62,533	0	0	62,533		\$1.2998	\$0.8238	\$4.0708	\$6.1944	\$387,354
Next 7,500	22,155	0	0	22,155		\$0.9285	\$0.9847	\$4.0708	\$5.9840	\$132,576
Next 16,500	0	0	0	0		\$0.5571	\$0.2818	\$4.0708	\$4.9097	\$0
Next 33,000	0	0	0	0		\$0.1857	\$0.1000	\$4.0708	\$4.3565	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$4.0708	\$4.0708	\$0
DTs - Winter	182,131	0	0	182,131						
First 1,500	130,100	0	0	130,100		\$1.1141	\$0.7242	\$4.0708	\$5.9091	\$768,774
Next 1,500	61,848	0	0	61,848		\$0.7428	\$0.5836	\$4.0708	\$5.3972	\$333,806
Next 7,500	19,544	0	0	19,544		\$0.5571	\$0.8577	\$4.0708	\$5.4856	\$107,211
Next 16,500	0	0	0	0		\$0.3714	\$0.2818	\$4.0708	\$4.7240	\$0
Next 33,000	0	0	0	0		\$0.1857	\$0.0500	\$4.0708	\$4.3065	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$4.0708	\$4.0708	\$0
DTs - Summer	211,492	0	0	211,492						
Large General Service - Transportation 213										
Bills	493				493	\$250.00			\$250.00	\$123,250
Demand DTs	86,629				86,629	\$5.0000	\$0.9651	\$0.0000	\$5.9651	\$516,751
Standby DTs	0				0	\$0.0000	\$12.0161	\$0.0000	\$12.0161	\$0
First 1,500	289,209	0	0	289,209		\$1.8569	\$0.5827	\$0.0708	\$2.5104	\$726,030
Next 1,500	222,655	0	0	222,655		\$1.2998	\$0.4647	\$0.0708	\$1.8353	\$408,639
Next 7,500	215,921	0	0	215,921		\$0.9285	\$0.3739	\$0.0708	\$1.3732	\$296,503
Next 16,500	3,980	0	0	3,980		\$0.5571	\$0.2812	\$0.0708	\$0.9091	\$3,618
Next 33,000	0	0	0	0		\$0.1857	\$0.1025	\$0.0708	\$0.3590	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$0.0708	\$0.0708	\$0
DTs - Winter	731,765	0	0	731,765						
First 1,500	390,339	0	0	390,339		\$1.1141	\$0.6406	\$0.0708	\$1.8255	\$712,564
Next 1,500	212,996	0	0	212,996		\$0.7428	\$0.5235	\$0.0708	\$1.3371	\$284,797
Next 7,500	169,689	0	0	169,689		\$0.5571	\$0.4523	\$0.0708	\$1.0802	\$183,298
Next 16,500	0	0	0	0		\$0.3714	\$0.3115	\$0.0708	\$0.7537	\$0
Next 33,000	0	0	0	0		\$0.1857	\$0.0500	\$0.0708	\$0.3065	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$0.0708	\$0.0708	\$0
DTs - Summer	773,024	0	0	773,024						
Interruptible Service - Sales 204										
Bills	145				145	\$250.00			\$250.00	\$36,250
First 1,500	77,833	0	0	77,833		\$1.8569	\$2.2417	\$4.0708	\$8.1694	\$635,849
Next 1,500	47,729	0	0	47,729		\$1.2998	\$2.1511	\$4.0708	\$7.5217	\$359,003
Next 7,500	79,407	0	0	79,407		\$0.9285	\$1.9399	\$4.0708	\$6.9392	\$551,021
Next 16,500	78,763	0	0	78,763		\$0.5571	\$1.9517	\$4.0708	\$6.5796	\$518,229
Next 33,000	3,058	0	0	3,058		\$0.1857	\$1.3859	\$4.0708	\$5.6424	\$17,254
Over 60,000	0	0	0	0		\$0.0000	\$0.4000	\$4.0708	\$4.4708	\$0
DTs - Winter	286,790	0	0	286,790						
First 1,500	103,627	0	0	103,627		\$1.1141	\$1.0057	\$4.0708	\$6.1906	\$641,513
Next 1,500	73,622	0	0	73,622		\$0.7428	\$0.8725	\$4.0708	\$5.6861	\$418,622
Next 7,500	101,909	0	0	101,909		\$0.5571	\$0.8209	\$4.0708	\$5.4488	\$555,282
Next 16,500	70,720	0	0	70,720		\$0.3714	\$0.6867	\$4.0708	\$5.1289	\$362,716
Next 33,000	0	0	0	0		\$0.1857	\$0.4133	\$4.0708	\$4.6698	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.1000	\$4.0708	\$4.1708	\$0
DTs - Summer	349,878	0	0	349,878						

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2014

PRO FORMA REVENUE CALCULATIONS

(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Conservation Adjustment (3)	Proforma Dekatherms (4)	Proforma Bills (5)	Current Margin Rate (6)	Current Demand Rate (7)	Current Commodity Rate (8)	Total Current Rates (9)	Total Proforma Revenue (10)
Interruptible Service - Transportation 214										
Bills	595				595	\$250.00			\$250.00	\$148,750
First 1,500	356,403	0	0	356,403		\$1.8569	\$0.5722	\$0.0708	\$2.4999	\$890,972
Next 1,500	321,205	0	0	321,205		\$1.2998	\$0.4504	\$0.0708	\$1.8210	\$584,914
Next 7,500	793,731	0	0	793,731		\$0.9285	\$0.3279	\$0.0708	\$1.3272	\$1,053,440
Next 16,500	443,908	0	0	443,908		\$0.5571	\$0.2114	\$0.0708	\$0.8393	\$372,572
Next 33,000	35,027	0	0	35,027		\$0.1857	\$0.1141	\$0.0708	\$0.3706	\$12,981
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$0.0708	\$0.0708	\$0
DTs - Winter	1,950,274	0	0	1,950,274						
First 1,500	514,823	0	0	514,823		\$1.1141	\$0.6295	\$0.0708	\$1.8144	\$934,095
Next 1,500	420,177	0	0	420,177		\$0.7428	\$0.4946	\$0.0708	\$1.3082	\$549,676
Next 7,500	910,725	0	0	910,725		\$0.5571	\$0.3623	\$0.0708	\$0.9902	\$901,800
Next 16,500	424,248	0	0	424,248		\$0.3714	\$0.3125	\$0.0708	\$0.7547	\$320,180
Next 33,000	0	0	0	0		\$0.1857	\$0.2516	\$0.0708	\$0.5081	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$0.0708	\$0.0708	\$0
DTs - Summer	2,269,973	0	0	2,269,973						
TOTAL INDUSTRIAL										
Bills	1,400				1,400					
Demand	112,259				112,259					
DTs	6,755,327	0	0	6,755,327						
										\$16,029,406
Outdoor Gaslight Service - Rate 205										
Fixtures	36	0	0	36		\$15.00			\$15.00	\$540
DTs - Winter	16	0	0	16						
DTs - Summer	22	0	0	22						
Annual Revenues From Special Contracts										\$ 2,152,785
TOTAL ALL RATE SCHEDULES										
TOTAL BILLS	1,625,362				1,625,362					
TOTAL WINTER DTs	13,015,807	(427,633)	(165,043)	12,423,131						
TOTAL SUMMER DTs	7,593,628	(405,877)	(62,571)	7,125,180						
ANNUAL TOTAL DTs	20,609,435	(833,510)	(227,614)	19,548,311						
TOTAL SALES DTs	14,884,399	(833,510)	(227,614)	13,823,275						
TOTAL TRANSPORTATION DTs	5,725,036	0	0	5,725,036						
ANNUAL TOTAL DTs	20,609,435	(833,510)	(227,614)	19,548,311						
										REVENUE \$ 150,852,581

* The rates convert 1.26 therms to 1 GGE.

SCHEDULE 9

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2014

PROPOSED REVENUE CALCULATIONS

(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Conservation Adjustment (3)	Proforma Dekatherms (4)	Proforma Bills (5)	Proposed Margin Rate (6)	Proposed Demand Rate (7)	Proposed Commodity Rate (8)	Total Proposed Rates (9)	Total Proforma Revenue (10)
Residential Service - Value 201										
Bills - Winter	206,747				206,747	\$ 10.00			\$ 10.00	\$2,067,470
Bills - Summer	273,025				273,025	\$ 8.00			\$ 8.00	\$2,184,200
DTs - Winter	2,452,056	(115,795)	(40,885)	2,295,376		\$3.9312	\$0.9596	\$4.0708	\$8.9616	\$20,570,245
DTs - Summer	888,915	(89,207)	(13,995)	785,713		\$3.4742	\$0.9566	\$4.0708	\$8.5016	\$6,679,819
Residential Service - Standard 221										
Bills - Winter	405,708				405,708	\$ 10.00			\$ 10.00	\$4,057,080
Bills - Summer	569,970				569,970	\$ 8.00			\$ 8.00	\$4,559,760
DTs - Winter	3,674,533	(195,281)	(60,887)	3,418,365		\$3.9312	\$1.6382	\$4.0708	\$9.6402	\$32,953,723
DTs - Summer	989,381	(163,098)	(14,460)	811,823		\$3.4742	\$1.8113	\$4.0708	\$9.3563	\$7,595,660
<u>TOTAL RESIDENTIAL</u>										
Bills	1,455,450				1,455,450					
DTs	8,004,885	(563,381)	(130,226)	7,311,278						\$80,667,957
Small General Service - Standard 202										
Bills	120,442				120,442	\$ 22.00			\$ 22.00	\$2,649,724
DTs - Winter	1,899,451	(86,477)	(31,727)	1,781,247		\$3.1913	\$1.5602	\$4.0708	\$8.8223	\$15,714,695
DTs - Summer	451,321	(108,932)	(5,992)	336,397		\$3.0771	\$1.4833	\$4.0708	\$8.6312	\$2,903,511
Small General Service - Value 232										
Bills	47,144				47,144	\$ 22.00			\$ 22.00	\$1,037,168
First 200	1,078,410	(12,783)	(18,648)	1,046,979		\$3.1913	\$1.3557	\$4.0708	\$8.6178	\$9,022,652
Over 200	303,698	(3,600)	(5,252)	294,846		\$3.1913	\$1.2783	\$4.0708	\$8.5404	\$2,518,105
DTs - Winter	1,382,108	(16,383)	(23,900)	1,341,825						
First 200	1,100,908	(33,133)	(18,686)	1,049,089		\$3.0771	\$1.0679	\$4.0708	\$8.2158	\$8,619,105
Over 200	149,144	(4,489)	(2,531)	142,124		\$3.0771	\$0.9811	\$4.0708	\$8.1290	\$1,155,322
DTs - Summer	1,250,052	(37,622)	(21,218)	1,191,212						
Medium General Service - Standard 252										
Bills	138				138	\$ 75.00			\$ 75.00	\$10,350
DTs - Winter	85,108	(5,035)	(1,401)	78,672		\$3.1913	\$0.9956	\$4.0708	\$8.2577	\$649,647
DTs - Summer	27,320	(4,617)	(397)	22,306		\$3.0771	\$0.9310	\$4.0708	\$8.0789	\$180,205
Medium General Service - Value 262										
Bills	769				769	\$ 75.00			\$ 75.00	\$57,675
First 500	155,903	(3,696)	(2,664)	149,543		\$3.1913	\$0.7520	\$4.0708	\$8.0141	\$1,198,458
Over 500	209,498	(4,966)	(3,579)	200,953		\$3.1913	\$0.6524	\$4.0708	\$7.9145	\$1,590,440
DTs - Winter	365,401	(8,662)	(6,243)	350,496						
First 500	207,008	(1,328)	(3,599)	202,081		\$3.0771	\$0.4952	\$4.0708	\$7.6431	\$1,544,522
Over 500	167,362	(1,073)	(2,910)	163,379		\$3.0771	\$0.4150	\$4.0708	\$7.5629	\$1,235,619
DTs - Summer	374,370	(2,401)	(6,509)	365,460						
Small General Service - Motor Fuel 242										
Bills	19				19	\$ 22.00			\$ 22.00	\$418
DTs - Winter	6,174	0	0	6,174		\$2.5806	\$1.6190	\$4.0708	\$8.2704	\$51,061
DTs - Summer	7,880	0	0	7,880		\$2.5806	\$2.1905	\$4.0708	\$8.8419	\$69,674
Winter Rate per GGE*									\$1.04207	
Summer Rate per GGE*									\$1.11408	
<u>TOTAL COMMERCIAL</u>										
Bills	168,512				168,512					
DTs	5,849,185	(270,129)	(97,388)	5,481,668						\$50,208,349

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2014

PROPOSED REVENUE CALCULATIONS

(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Conservation Adjustment (3)	Proforma Dekatherms (4)	Proforma Bills (5)	Proposed Margin Rate (6)	Proposed Demand Rate (7)	Proposed Commodity Rate (8)	Total Proposed Rates (9)	Total Proforma Revenue (10)
Large General Service - Sales 203										
Bills	167				167	\$ 250.00			\$ 250.00	\$41,750
Demand DTs	25,630	0	0		25,630	\$5.0000	\$12.9812	\$0.0000	\$17.9812	\$460,858
First 1,500	97,443	0	0	97,443		\$1.8569	\$0.6779	\$4.0708	\$6.6056	\$643,669
Next 1,500	62,533	0	0	62,533		\$1.2998	\$0.5685	\$4.0708	\$5.9391	\$371,390
Next 7,500	22,155	0	0	22,155		\$0.9285	\$0.4495	\$4.0708	\$5.4488	\$120,718
Next 16,500	0	0	0	0		\$0.5571	\$0.2818	\$4.0708	\$4.9097	\$0
Next 33,000	0	0	0	0		\$0.1857	\$0.1000	\$4.0708	\$4.3565	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$4.0708	\$4.0708	\$0
DTs - Winter	182,131	0	0	182,131						
First 1,500	130,100	0	0	130,100		\$1.1141	\$0.5805	\$4.0708	\$5.7654	\$750,079
Next 1,500	61,848	0	0	61,848		\$0.7428	\$0.4730	\$4.0708	\$5.2866	\$326,966
Next 7,500	19,544	0	0	19,544		\$0.5571	\$0.6710	\$4.0708	\$5.2989	\$103,562
Next 16,500	0	0	0	0		\$0.3714	\$0.2818	\$4.0708	\$4.7240	\$0
Next 33,000	0	0	0	0		\$0.1857	\$0.0500	\$4.0708	\$4.3065	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$4.0708	\$4.0708	\$0
DTs - Summer	211,492	0	0	211,492						
Large General Service - Transportation 213										
Bills	493				493	\$ 250.00			\$ 250.00	\$123,250
Demand DTs	86,629				86,629	\$5.0000	\$0.9651	\$0.0000	\$5.9651	\$516,751
Standby DTs	0				0	\$0.0000	\$12.0161	\$0.0000	\$12.0161	\$0
First 1,500	289,209	0	0	289,209		\$1.8569	\$0.5117	\$0.0708	\$2.4394	\$705,496
Next 1,500	222,655	0	0	222,655		\$1.2998	\$0.4135	\$0.0708	\$1.7841	\$397,239
Next 7,500	215,921	0	0	215,921		\$0.9285	\$0.3274	\$0.0708	\$1.3267	\$286,462
Next 16,500	3,980	0	0	3,980		\$0.5571	(\$0.4064)	\$0.0708	\$0.2215	\$882
Next 33,000	0	0	0	0		\$0.1857	\$0.1025	\$0.0708	\$0.3590	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$0.0708	\$0.0708	\$0
DTs - Winter	731,765	0	0	731,765						
First 1,500	390,339	0	0	390,339		\$1.1141	\$0.5203	\$0.0708	\$1.7052	\$665,606
Next 1,500	212,996	0	0	212,996		\$0.7428	\$0.4079	\$0.0708	\$1.2215	\$260,175
Next 7,500	169,689	0	0	169,689		\$0.5571	\$0.3260	\$0.0708	\$0.9539	\$161,866
Next 16,500	0	0	0	0		\$0.3714	\$0.3115	\$0.0708	\$0.7537	\$0
Next 33,000	0	0	0	0		\$0.1857	\$0.0500	\$0.0708	\$0.3065	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$0.0708	\$0.0708	\$0
DTs - Summer	773,024	0	0	773,024						
Interruptible Service - Sales 204										
Bills	145				145	\$ 250.00			\$ 250.00	\$36,250
First 1,500	77,833	0	0	77,833		\$1.8569	\$0.9936	\$4.0708	\$6.9213	\$538,706
Next 1,500	47,729	0	0	47,729		\$1.2998	\$0.7655	\$4.0708	\$6.1361	\$292,870
Next 7,500	79,407	0	0	79,407		\$0.9285	\$0.7567	\$4.0708	\$5.7560	\$457,067
Next 16,500	78,763	0	0	78,763		\$0.5571	\$1.6622	\$4.0708	\$6.2901	\$495,427
Next 33,000	3,058	0	0	3,058		\$0.1857	\$0.4910	\$4.0708	\$4.7475	\$14,518
Over 60,000	0	0	0	0		\$0.0000	\$0.4000	\$4.0708	\$4.4708	\$0
DTs - Winter	286,790	0	0	286,790						
First 1,500	103,627	0	0	103,627		\$1.1141	\$0.5436	\$4.0708	\$5.7285	\$593,627
Next 1,500	73,622	0	0	73,622		\$0.7428	\$0.4884	\$4.0708	\$5.3020	\$390,344
Next 7,500	101,909	0	0	101,909		\$0.5571	\$0.4494	\$4.0708	\$5.0773	\$517,423
Next 16,500	70,720	0	0	70,720		\$0.3714	\$0.5771	\$4.0708	\$5.0193	\$354,965
Next 33,000	0	0	0	0		\$0.1857	\$0.4133	\$4.0708	\$4.6698	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.1000	\$4.0708	\$4.1708	\$0
DTs - Summer	349,878	0	0	349,878						

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2014

PROPOSED REVENUE CALCULATIONS

(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Conservation Adjustment (3)	Proforma Dekatherms (4)	Proforma Bills (5)	Proposed Margin Rate (6)	Proposed Demand Rate (7)	Proposed Commodity Rate (8)	Total Proposed Rates (9)	Total Proforma Revenue (10)
Interruptible Service - Transportation 214										
Bills	595				595	\$ 250.00			\$ 250.00	\$148,750
First 1,500	356,403	0	0	356,403		\$1.8569	\$0.5057	\$0.0708	\$2.4334	\$867,271
Next 1,500	321,205	0	0	321,205		\$1.2998	\$0.4064	\$0.0708	\$1.7770	\$570,781
Next 7,500	793,731	0	0	793,731		\$0.9285	\$0.3066	\$0.0708	\$1.3059	\$1,036,533
Next 16,500	443,908	0	0	443,908		\$0.5571	\$0.2042	\$0.0708	\$0.8321	\$369,376
Next 33,000	35,027	0	0	35,027		\$0.1857	\$0.1076	\$0.0708	\$0.3641	\$12,753
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$0.0708	\$0.0708	\$0
DTs - Winter	1,950,274	0	0	1,950,274						
First 1,500	514,823	0	0	514,823		\$1.1141	\$0.5196	\$0.0708	\$1.7045	\$877,516
Next 1,500	420,177	0	0	420,177		\$0.7428	\$0.4175	\$0.0708	\$1.2311	\$517,280
Next 7,500	910,725	0	0	910,725		\$0.5571	\$0.3177	\$0.0708	\$0.9456	\$861,182
Next 16,500	424,248	0	0	424,248		\$0.3714	\$0.2953	\$0.0708	\$0.7375	\$312,883
Next 33,000	0	0	0	0		\$0.1857	\$0.2516	\$0.0708	\$0.5081	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$0.0708	\$0.0708	\$0
DTs - Summer	2,269,973	0	0	2,269,973						
TOTAL INDUSTRIAL										
Bills	1,400				1,400					
Demand	112,259				112,259					
DTs	6,755,327	0	0	6,755,327						
										\$15,202,241
Outdoor Gaslight Service - Rate 205										
Fixtures	36	0	0	36		\$ 15.00			\$ 15.00	\$540
DTs - Winter	16	0	0	16						
DTs - Summer	22	0	0	22						
Annual Revenues From Special Contracts										\$ 2,152,785
TOTAL ALL RATE SCHEDULES										
TOTAL BILLS	1,625,362				1,625,362					
TOTAL WINTER DTs	13,015,807	(427,633)	(165,043)	12,423,131						
TOTAL SUMMER DTs	7,593,628	(405,877)	(62,571)	7,125,180						
ANNUAL TOTAL DTs	20,609,435	(833,510)	(227,614)	19,548,311						
TOTAL SALES DTs	14,884,399	(833,510)	(227,614)	13,823,275						
TRANSPORTATION DTs	5,725,036	0	0	5,725,036						
ANNUAL TOTAL DTs	20,609,435	(833,510)	(227,614)	19,548,311						
										REVENUE \$ 148,231,872

* The rates convert 1.26 therms to 1 GGE.

SCHEDULE 10

Piedmont Natural Gas Company, Inc.
 Quarterly Rate Stabilization Filing
 12-Months Ending March 31, 2014

WNA Factors

	Base Rate (\$/therms)	Demand (\$/therms)	Commodity (\$/therms)	"R" Value (\$/therms)	Heat Factor (therms/DDD)	Base Factor (therms/mo.)
Residential						
Value Rate - 201	0.89616	0.09596	0.40708	0.39312	0.17858	17.73654
Standard Rate - 221	0.96402	0.16382	0.40708	0.39312	0.15220	4.50452
Commercial						
Rate 202 - Std	0.88223	0.15602	0.40708	0.31913	0.66352	4.83409
Rate 232 - Val						
First 2,000 therms	0.86178	0.13557	0.40708	0.31913	0.50487	414.59949
Over 2,000 therms	0.85404	0.12783	0.40708	0.31913	0.50487	414.59949
Rate 252 - Std	0.82577	0.09956	0.40708	0.31913	25.75640	836.22202
Rate 262 - Val						
first 5,000 therms	0.80141	0.07520	0.40708	0.31913	5.99791	7915.79564
over 5,000 therms	0.79145	0.06524	0.40708	0.31913	5.99791	7915.79564